

**GRAMBLING STATE UNIVERSITY**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-26-06

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**INDEPENDENT AUDITORS' REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Dr. Horace A. Judson, President  
**Grambling State University**  
Grambling, Louisiana 71245

We have audited the accompanying Schedule of Expenditures of Federal Awards of **Grambling State University (the University)** for the year ended June 30, 2005. The Schedule of Expenditures of Federal Awards is the responsibility of the management of **the University**. Our responsibility is to express an opinion on the Schedule of Expenditures of Federal Awards based on our audit. The accompanying Schedule of Expenditures of Federal Awards is not a part of **the University's** component unit financial statements for the year ended June 30, 2005. The component unit financial statements were audited by the State of Louisiana's Legislative Auditor whose report dated March 13, 2006 contained an unqualified opinion on the general purpose financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. Those standards and the provisions of OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Expenditures of Federal Awards are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Expenditures of Federal Awards. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Expenditures of Federal Awards. We believe that *our audit provides a reasonable basis for our opinion.*

**INDEPENDENT AUDITORS' REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(CONTINUED)**

Dr. Horace A. Judson, President  
**Grambling State University**  
Grambling, Louisiana 71245  
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In our opinion, the accompanying Schedule of Expenditures of Federal Awards of **Grambling State University** presents fairly, in all material respects, the expenditures of federal awards for the year ended June 30, 2005 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2006 on our consideration of **the University's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit. Also, that report disclosed instances of noncompliance that may be material to the Schedule of Expenditures of Federal Awards, but for which the ultimate resolution cannot presently be determined.

Our audit was performed for the purpose of forming an opinion on the Schedule of Expenditures of Federal Awards taken as a whole. The supplementary data included in this report is presented for the purpose of additional analysis and is not a required part of the Schedule of Expenditures of Federal Awards. Such information has been subjected to the auditing procedures applied in the audit of the Schedule of Expenditures of Federal Awards and, in our opinion is fairly stated in all material respects in relation to the Schedule of Expenditures of Federal Awards taken as a whole.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

March 17, 2006

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<b><u>U.S. Agency for International Development</u></b>			
<i>Awards from a Pass-Through Entity</i>			
<u>Through: United Negro College Fund</u>			
International Development Partnership	02.31127	-----	<u>71,418</u>
<b>Total U.S. Agency for International Development</b>			
			<u>71,418</u>
<b><u>U.S. Department of Commerce</u></b>			
<i>Direct Awards</i>			
Economic Adjustment Assistance	11.307	N/A	(84)
Technology Opportunity Program	11.552	N/A	<u>71,932</u>
<b>Total U.S. Department of Commerce</b>			
			<u>71,848</u>

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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<u>FEDERAL GRANTOR/PROGRAM NAME</u>	FEDERAL CFDA OR OTHER NUMBER	PASS-THROUGH ENTITY'S NUMBER	<u>ACTIVITY</u>
 <b><u>U.S. Department of the Interior</u></b>			
 <i>Direct Awards</i>			
Restoration of Charles P. Adams Home	15.924	-----	387
<b>Total U.S. Department of the Interior</b>			<u>387</u>

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<b><u>National Aeronautics and Space Administration</u></b>			
<i>Awards from a Pass-Through Entity</i>			
<i>Through: Clark Atlanta University</i>			
High Performance Polymers	43.NCCC-1044	N/A	\$ <u>110,501</u>
<b>Total National Aeronautics and Space Administration</b>			<u>110,501</u>
<b><u>National Science Foundation</u></b>			
<i>Direct Awards</i>			
Education and Human Resources	47.076	N/A	<u>58,268</u>
<b>Total National Science Foundation</b>			<u>58,268</u>

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U.S. Department of Energy</u>			
<i>Research and Development Cluster</i>			
<u>Direct Awards</u>			
Fossil Energy Research and Development	81.089	N/A	\$ <u>40,329</u>
<b>Total U.S. Department of Energy</b>			<u>40,329</u>
<u>U.S. Department of Agriculture</u>			
<u>Direct Awards</u>			
Housing Preservation Grant	10.433	N/A	<u>39,660</u>
<b>Total U.S. Department of Agriculture</b>			<u>39,660</u>

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED  
 FOR THE YEAR ENDED JUNE 30, 2005

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U.S. Department of Education</u>			
<u>Direct Awards</u>			
Higher Education - Institutional Aid	84.031	N/A	\$ 2,916,852
Fund for the Improvement of Post Secondary Education	84.116	N/A	<u>71,535</u>
<b>Sub-total</b>			<u>2,988,387</u>
<u>Trio Cluster</u>			
<u>Direct Awards</u>			
TRIO-Student Support Services	84.042	N/A	322,566
TRIO-Upward Bound	84.047	N/A	<u>572,016</u>
<b>Sub-total - Trio Cluster</b>			<u>894,582</u>
<u>Student Financial Assistance Cluster</u>			
<u>Direct Awards</u>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	661,149
Federal Family Education Loans	84.032	N/A	29,156,642
Federal Work-Study Program	84.033	N/A	624,509
Federal Pell Grant Program	84.063	N/A	<u>10,383,812</u>
<b>Sub-total - Student Financial Assistance Cluster</b>			<u>40,826,112</u>
<b>Total U.S. Department of Education</b>			<u>44,709,081</u>

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Direct Awards</i>			
Mental Health National Research Service Awards for Research Training	93.282	-----	\$ 281,741
Child Health and Human Development Extramural Research	93.865	-----	45,366
Biomedical Research and Research Training	93.859	-----	658,182
Advanced Education Nursing Traineeship	93.358	-----	32,441
Rural Health Care Services Outreach and Rural Health Network Development Program	93.912	-----	186,832
<i>Awards from a Pass-through Entity</i>			
Through: <u>National Youth Sports Corporation</u>			
Community Services Block Grants-	93.570	98-261	89,819
Discretionary Awards			
<u>International Resource Group Limited</u>			
HIV/Aids Awareness and Risk Reduction Project	93.6FP4PA061197	IRG-1197	<u>7,104</u>
<b>Total U.S. Department of Health and Human Services</b>			
			<u>1,301,485</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			
			<u>\$46,402,977</u>

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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NOTE 1 - General:

**Grambling State University (GSU)** located in Grambling, Louisiana is an institution of higher education founded in 1901.

**The University** is a multi-purpose state supported co-education institution with degree-granting academic units which include the following:

- College of Business;
- College of Education;
- School of Social Work;
- School of Nursing;
- College of Science Technology; and
- College of Liberal Arts.

As defined by Government Accounting Standards Board Statement Number 14, **the University** is a component unit of the State of Louisiana (the Financial Reporting Entity) within the executive branch of government and is governed by the Board of Supervisors for the University of Louisiana System.

**The University** has an enrollment of approximately 5,039 students and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.

**Grambling State University** is the recipient of various Federal grants, subgrants and awards from the U.S. Department of Education, the Department of Health and Human Services, the State of Louisiana and other agencies to assist in achieving a higher level of learning for its student body. Total direct federal and federal awards passed through other agencies amounted to more than \$46,402,977 for the fiscal year July 1, 2004 through June 30, 2005. Included in this amount is funding for the Student Financial Aid Program Cluster which totaled \$40,826,112 and includes loans to students under the Federal Family Education Loan Program which totals \$29,156,642.

**GRAMBLING STATE UNIVERSITY**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(CONTINUED)

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NOTE 1 - General, Continued:

Student Financial Aid

**Grambling State University** was approved during January, 1959 by the then Office of Education for participation in the Student Financial Aid Programs. These programs include the Federal Perkins Program, Nursing Student Loan Program, Federal Work Study Program (FWS), Federal Supplemental Education Opportunity Grant Program (FSEOG), Federal PELL Grant and the Federal Family Education Student Loan Program (FFEL). Listed below is a brief description of the Student Aid Programs administered by **the University**.

o Federal Perkins Loan Program

**The University** entered into an agreement to establish a NDSL program under the National Defense Education Act of 1958, which was transferred in 1972 to Title IV Part 674 of the Higher Education Act of 1965. Beginning with the 1987-88 award year, the NDSL Program was renamed the Perkins Loan Program in honor of the late Carl D. Perkins, former chairman of the House Education and Labor Committee. The records of the institution indicate that loans aggregating \$8,128,598 have been made to 9,267 students since the establishment of the program at the Institution. **The University** has terminated the Federal Perkins Loan Program and has returned all loans to the Department of Education.

o Nursing Student Loan Program (NSL)

**The University** entered into an agreement with the U.S. Department of Health and Human Services to establish a Nursing Student Loan Program. The records of the institution indicate that loans aggregating \$364,849 have been made to students. **The University's** participation in the Nursing Student Loan Program was terminated due to the high default rate.

**GRAMBLING STATE UNIVERSITY**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(CONTINUED)

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NOTE 1 - General, Continued:

o Federal Work-Study Program (FWS)

**The University** established the FWS Program pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 2005, federal expenditures totaled \$624,509, of which \$29,739 was for administrative costs and \$594,770 for wages.

**The University** elected and received approval from the Department of Education to waive the institutional matching requirement for the Federal Work Study program's approved funding level for the fiscal year ended June 30, 2005. **The University** was entitled to this waiver because of its participation in the Strengthening Historically Black Colleges Title III Program.

o FSEOG Program

The FSEOG Program was established at **the University** in 1965 under Title IV, Part A of the Higher Education Act of 1965, as amended. During the year ended June 30, 2005, awards made from Federal funds aggregated \$629,665 and **the University** recorded indirect costs of \$31,484, which was allocated through Federal Work Study.

**The University** received approval from the Department of Education to waive the institutional matching requirement for the FSEOG program.

o Federal Pell Grant Program

The Institution entered into an agreement with the Office of Education to participate in the Federal Pell Grant Program. This program provides eligible students with a foundation of financial aid to help defray the costs of post secondary education. During the year \$10,383,812 was expended for Federal Pell Grant awards to full-time and part-time students. **The University** received an administrative cost reimbursement of \$16,595.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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NOTE 1 - General, Continued:

o Federal Family Education Loan Program

The Federal Family Education Loan Program enables eligible undergraduate students to borrow directly from a bank or other lending institution. During the current year, approximately \$29,156,642 was disbursed to students under the Federal Family Education Loan Program. The Federal Family Education Loan Program's Cohort default rate is 9.9 percent.

The Student Financial Aid programs are administered by the **University's** Financial Aid Department. All accounting for the Student Financial Aid programs is performed by **the University's** Accounting Department. Accounting is under the control of the Vice-President for Finance and Financial Aid reports to the Vice-President for Enrollment Management and Academic Services.

NOTE 2 - Basis of Presentation and Accounting:

The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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NOTE 2 - Basis of Presentation and Accounting, Continued:

The purpose of the Schedule of Expenditures of Federal Awards is to present a summary of those activities of **Grambling State University** for the year ended June 30, 2005 which have been financed principally by the U. S. Government (federal awards). For purposes of the schedule, federal awards include all Federal assistance and procurement relationships entered into directly between **the University** and the federal government and sub-awards from non-federal organizations made under federally sponsored agreements. Because the Schedule presents only a selected portion of the activities of **the University**, it is not intended to and does not present either the financial position, changes in net assets or the current fund's revenues, expenditures, and other changes of **the University**.

The Schedule of Expenditures of Federal Awards is presented on the modified accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs):

The Perkins Loan Program Fund is operated by the Institution under an agreement with the United States Department of Education. The accounts of the Program are included among the Loan Funds of **the University**.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs), Continued:

The University did not make any loans to students during the year ended June 30, 2005.

During the year ended June 30, 2003, the University notified the Department of Education of its intention to terminate the Federal Perkins Loan Program.

The aggregate contributions made to the Program and loans due to the Program are as follows:

Analysis of Perkins Contributions

<u>Funding Source</u>	<u>Period from Inception to June 30, 2005</u>	<u>For the Year Ended June 30, 2005</u>
Federal	\$3,737,084	\$-0-
University	<u>415,232</u>	<u>-0-</u>
Total	<u>\$4,152,316</u>	<u>\$-0-</u>

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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NOTE 3 - Program Organization and Financing-(Perkins Loan Program), Continued:

Analysis of Perkins Loans Receivable

	<u>Period from</u> <u>Inception to</u> <u>June 30, 2005</u>	<u>For the</u> <u>Year Ended</u> <u>June 30, 2005</u>
Balance, beginning of period/year	\$ -0-	\$ 695,864
Funds advanced/adjustments	<u>8,128,597</u>	<u>(1,696)</u>
 Total	 <u>8,128,597</u>	 <u>694,168</u>
 Less:		
Collections	3,659,102	2,491
Cancellations:		
Teaching service	728,395	-0-
Death	45,388	4,161
Bankruptcy	78,538	1,121
Military	705	-0-
Loan principal assigned/returned to Federal Government	3,228,969	641,374
Other principal adjustments	<u>385,958</u>	<u>43,479</u>
 Total credits	 <u>8,127,055</u>	 <u>692,626</u>
 Balance, June 30, 2005	 \$ <u><u>1,542</u></u>	 \$ <u><u>1,542</u></u>

The total allowance for doubtful accounts totaled \$1,542 at June 30, 2005 for the Perkins Loan Program. Subsequent to June 30, 2005, the University has liquidated the remaining Perkins Loan balance of \$1,542. All funds have been returned to the Department of Education.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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NOTE 3 - Program Organization and Financing-(Nursing Student Loan Program),  
Continued:

The Nursing Student Loan Program is operated by the Institution under an agreement with the Department of Health and Human Services. The accounts of the program are included among the Loan Funds of **the University**.

**The University** did not make any loans to students for the year ended June 30, 2005.

The program was financed by contributions from the U.S. Department of Health and Human Services, which were matched, at a ratio of one-to-nine by contributions from **the University**. However, during the year ended June 30, 1997, **the University** was notified by the Department of Health and Human Services that the program was terminated due to the high default rate. The contributions made to the program, repayments to the federal government and loans receivables are as follows:

Analysis of Nursing Student Loan Contributions

<u>Funding Source</u>	<u>Period from Inception to June 30, 2005</u>	<u>For the Year Ended June 30, 2005</u>
Federal	\$318,176	\$-0-
University	<u>35,353</u>	<u>-0-</u>
Total	<u>\$353,529</u>	<u>\$-0-</u>

Analysis of Repayments

Funding Source

Federal	\$282,813	\$49,383
University	<u>-0-</u>	<u>-0-</u>
Total	<u>\$282,813</u>	<u>\$49,383</u>

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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NOTE 3 - Program Organization and Financing  
(Nursing Student Loan Programs), Continued:

Analysis of Nursing Student Loan Receivable

	Period from Inception to <u>June 30, 2005</u>	For the Year Ended <u>June 30, 2005</u>
Balance, beginning of period/year	\$ -0-	\$ 98,393
Funds advanced/adjustments	<u>364,849</u>	<u>-0-</u>
Total	<u>364,849</u>	<u>98,393</u>
Less: Collections	248,436	(17,996)
Adjustments	24	-0-
Cancellations	<u>-0-</u>	<u>-0-</u>
Total credits	<u>248,460</u>	<u>17,996</u>
Balance, June 30, 2005	\$ <u>116,389</u>	\$ <u>116,389</u>

The total allowance for doubtful accounts totaled \$116,389 at June 30, 2005 for the Nursing Student Loan Program.

NOTE 4 - Department of Education Loan:

The University of Louisiana System Board of Trustees has signed a loan agreement, on behalf of the University, with the U.S. Secretary of Education in the amount of \$3,500,000. These funds are to be used for financing the construction of four new dormitories pursuant to Title IV of the Housing Act of 1950. The loan shall bear interest at the rate of 3% per annum on the unpaid balance. The principal and interest shall be payable in semi-annual installments of \$88,877 over a term of 30 years.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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NOTE 4 - Department of Education Loan, Continued:

As of June 30, 2005, the outstanding loan balance is \$2,509,631. Payments totaling \$177,754 were made during the year. This balance is disclosed in the Schedule of Disclosures for Federally Assisted Loans.

NOTE 5 - Supplementary Financial Information:

The Schedule of Disclosures for federally assisted loans summarizes the amount of loans made or disbursed during the year for the Federal Family Education Student Loan Program, College Housing Facilities Loans, the Perkins Loan, the NSL Programs and the Department of Education. Additionally, the Schedule summarizes the amount of principal and interest cancelled (military and teacher) for the National Defense/Perkins Loan Program.

The Schedule of Fixed Price Contracts summarizes the total amount of revenues received under fixed-price contracts.

The Schedule of Secondary Subrecipients of major Federal Programs represent disbursements of major program funds to non-state of Louisiana subrecipients.

The Schedule of State Agency/University subrecipients of Federal programs represent disbursement of federal funds to State of Louisiana agencies.

The Schedule of Inter-Agency Expenditures of Federal Awards summarizes federal expenditures financed by the State of Louisiana with funds received from the federal government.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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NOTE 6 - Contingencies:

Participation in Grant Programs

**The University** administers and participates in certain federal and state programs as disclosed in the Schedule of Expenditures of Federal Awards. In connection with the administration and operations of these grants, **the University** is to expend grant funds and allocations in accordance with program guidelines and regulations. However, should **the University** have operated/administered the programs and/or grants in a manner which would be in non-compliance with the guidelines and regulations, **the University** may be required by the funding sources to repay some portion or all of the grant award.

NOTE 7 - Major Federal Financial Assistance Programs:

**Grambling State University** major federal financial assistance programs for the year ended June 30, 2005 were determined on a State level based upon program activity. Such programs are the Student Financial Assistance Cluster, the Workforce Investment Act Grant, the Research and Development Cluster, the Temporary Assistance for Needy Families Grant, and the Higher Education Institutional Aid Grant.

**SUPPLEMENTAL DATA**

**SCHEDULE I**

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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<u>Program Name/Title</u>	<u>Federal CFDA NO.</u>	<u>Loans Made or Disbursed During Year</u>	<u>Outstanding Loan Balance</u>	<u>Principal and Interest Cancelled</u>
Federal Family Education Loan Program	84.032	<u>\$29,156,642</u>	N/A	N/A
Perkins Loan Program	84.038	<u>\$-0-</u>	<u>\$ 1,542</u>	N/A
Nursing Student Loan Program	93.364	<u>\$-0-</u>	<u>\$ 116,389</u>	N/A
College Housing and Other Facilities Loans	84.142	N/A	<u>\$576,000</u>	N/A
Department of Education - Housing Act of 1950	N/A	N/A	<u>\$2,509,631</u>	N/A

See the Independent Auditors' Report on Supplementary Information.

**SCHEDULE II**

**GRAMBLING STATE UNIVERSITY  
SCHEDULE OF FIXED PRICE CONTRACTS  
FOR THE YEAR ENDED JUNE 30, 2005**

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<u>Program Name</u>	<u>CFDA No.</u>	<u>Grantor</u>	<u>Period</u>	<u>Revenues</u>
(1)	(1)	(1)	(1)	(1)

- (1) Grambling State University did not receive any revenues under the terms of fixed-priced contracts during the year ended June 30, 2005.

See the Independent Auditors' Report on Supplementary Information.

**SCHEDULE III**

**GRAMBLING STATE UNIVERSITY  
SCHEDULE OF SECONDARY SUBRECIPIENTS  
OF MAJOR FEDERAL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2005**

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<u>Federal Grantor</u>	<u>CFDA or Other Number</u>	<u>Program Name</u>	<u>Activity</u>	<u>Secondary Subrecipient</u>
(1)	(1)	(1)	(1)	(1)

- (1) Grambling State University did not receive any revenues from secondary subrecipients of major federal programs during the year ended June 30, 2005.

See the Independent Auditors' Report on Supplementary Information.

**SCHEDULE IV**

**GRAMBLING STATE UNIVERSITY  
SCHEDULE OF STATE AGENCY/UNIVERSITY SUBRECIPIENTS  
FOR FEDERAL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2005**

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<u>Federal Grantor</u>	<u>CFDA or Other Number</u>	<u>Program Name</u>	<u>Activity</u>	<u>Secondary Subrecipient</u>
U.S. Department of Health and Human Services- National Institute of Health	R25GM51 773	Partnership for Minority Access to Baccalaureate Degrees	\$ 16,404	Louisiana State University
U.S. Department of Health and Human Services National Institute of Health	R25GM51 773	Partnership for Minority Access to Baccalaureate Degrees	68,582	Southern University At Shreveport/ Bossier
U.S. Department of Energy		Nana - Particle Catalysts	<u>17,009</u>	Louisiana Tech
Total			<u>\$101,995</u>	

See the Independent Auditors' Report on Supplementary Information.

SCHEDULE V

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF INTER-AGENCY EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR/ PROGRAM NAME	FEDERAL		PRIMARY STATE AGENCY	CURRENT YEAR EXPENDITURES
	CFDA OR OTHER NUMBER			
<b>U.S. Department of Labor-</b> K-12 Accountability Rewards	17.253		Louisiana Department of Education	\$ 6,697
<b>U.S. Department of Labor-</b> Teacher Academic Preparation Center	N/A		Southern University A&M College System	10,407

SCHEDULE V

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF INTER-AGENCY EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR/ PROGRAM NAME	FEDERAL		PRIMARY STATE AGENCY	CURRENT YEAR EXPENDITURES
	CFDA OR OTHER NUMBER			
<b>U.S. Department of State- Anti Terrorism Training</b>	424ATA1917		Louisiana St ate University	58,253
<b>U.S. Department of Labor- TNT Quest</b>			Board of Regents	11,472

SCHEDULE V

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF INTER-AGENCY EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR/ PROGRAM NAME	FEDERAL		PRIMARY STATE AGENCY	CURRENT YEAR EXPENDITURES
	CFDA OR OTHER NUMBER			
<b>U.S. Department of Air Force</b> Bioeffect of Electromagnetics Nanopluses	F496200210136		Louisiana Tech University	\$ 2,596
<b>U.S. Department of Education</b> Adult Education - State Grants	84.002		Louisiana Dept. of Education	54,280
Vocational Education - Basic Grants to States	84.048		Louisiana Community and Technical College System	544
Temporary Assistance for Needy Families	93.558		Louisiana Dept. of Education	88,466
Louisiana GEAR UP Program	05-403GRAM/ CFMS 623098		Louisiana Systemic Initiatives Program Council	3,710
The New Teacher Project Recruitment	TR-04/05-TNTP-5		Board of Regents	58,207
<b>Department of Health and Human Services</b> Temporary Assistance for Needy Families	93.558		Louisiana Dept. of Education	49,275
Low Income Home Energy Assistance	93.568		Louisiana Dept. of Social Services	164,951
Research Infrastructure	93.389		Louisiana State University	9,706

**SCHEDULE V**

**GRAMBLING STATE UNIVERSITY  
SCHEDULE OF INTER-AGENCY EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR/ PROGRAM NAME	FEDERAL		PRIMARY STATE AGENCY	CURRENT YEAR EXPENDITURES
	CFDA OR OTHER NUMBER			
<b>U.S. Department of Labor-</b> Workforce Investment Act/Youth Activities	17.259		Coordinating and Development Corporation	\$ 63,000
<b>U.S. Department of Agriculture-</b> Summer Food Service Program for Children	10.559		Louisiana Department of Education	36,700
Summer Food Service Program for Children	10.559		Louisiana Department of Education	28,545

SCHEDULE V

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF INTER-AGENCY EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR/ PROGRAM NAME	FEDERAL		PRIMARY STATE AGENCY	CURRENT YEAR EXPENDITURES
	CFDA OR OTHER NUMBER			
<b>National Science Foundation-</b> Tech/GSU Joint Faculty in Physics	LEQSF(2000-01)- NCA JFAP-12	Louisiana Tech University	\$ 100,577	
Micro/Nano Technologies: Microfabrication Research	LEQSF(2001-04)- R1122	Board of Regents	19,653	
Mathematical and Physical Sciences Dual Phase Lagging	47.049	Board of Regents	127,867	
Heat Transport Equation	LEQDF(2002-05)- RD-A-01	Louisiana Tech University	62,715	
<b>National Endowment for the Arts</b> 8 <sup>th</sup> Annual Festival of Arts The Power of the spoken Word	DAF05-07-32-02 DAF05-07-32-03	Shreveport Regional Arts Council	4,684 7,500	
<b>Internal Revenue Service</b> Earned Income Tax Credit Outreach Initiative Project	CFMS 620220	Louisiana Dept. of Social Services	11,107	
<b>Nation Endowment for the Humanities</b> Promotion of the Humanities - Federal /State Partnership	45.129	The Humanities	907	
<b>Corporation for National and Community Service</b> Learn and Serve America Higher Education	94.005	Xavier University	37,022	
Total			<u>\$1,018,839</u>	



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Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Michael B. Bruno, CPA  
Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

---

Dr. Horace A. Judson, President  
**Grambling State University**  
Grambling, Louisiana 71245

We have audited the Schedule of Expenditures of Federal Awards of **Grambling State University (the University)** as of and for the year ended June 30, 2005, and have issued our report thereon dated March 17, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The component unit financial statements were audited by the State of Louisiana Legislative Auditor whose report dated March 13, 2006, contained an unqualified opinion on the general purpose financial statements.

**Compliance**

As part of obtaining reasonable assurance about whether **the University's** Schedule of Expenditures of Federal Awards is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

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(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit, except for the functions performed at **the University's** Service Bureau in connection with processing transactions for the NDSL/Perkins program and Nursing Student Loan Program, we considered **the University's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the Schedule of Expenditures of Federal Awards and not to provide assurance on the internal control over financial reporting.

For the information system internal control categories at the Service Bureau, another accountant performed procedures to obtain reasonable assurance about whether (1) the description of controls related to the System III Loan Servicing System application of Campus Partners' present fairly, in all material respects, the aspects of Campus Partners' controls that may be relevant to a user organization's internal control structure as it relates to an audit of the financial statements, (2) the controls included in the description were suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactorily, and (3) such controls had been placed in operation as of June 30, 2005. The other accountants' report has been furnished to us as of our report issuance date in which an unqualified opinion was expressed regarding the previous noted controls.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

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(CONTINUED)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the Schedule of Expenditures of Federal Awards being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Also, we noted that other accountants for the Service Bureau expressed an unqualified opinion on specific controls tested.

This report is intended for the information and use of the President, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bruno & Tervalon LLP*  
BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS

March 17, 2006



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Dr. Horace A. Judson, President  
**Grambling State University**  
Grambling, Louisiana 71245

**Compliance**

We have audited the compliance of **Grambling State University (the University)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The component unit financial statements were audited by the State of Louisiana Legislative Auditor whose report dated March 17, 2006 contained an unqualified opinion on the general purpose financial statements. **The University's** major federal programs are identified in the summary of independent auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **the University's** management. Our responsibility is to express an opinion on **the University's** compliance based on our audit.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **the University's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **the University's** compliance with those requirements.

In our opinion, **the University** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

We did not audit **the University's** compliance with certain regulations governing the processing of student loans for the NDSL/Perkins and Nursing Student Loan Programs as set forth therein relative to participation in the Federal Student Financial Assistance Program. Those administrative requirements govern functions performed by the Service Bureau. Since we did not apply auditing procedures to satisfy ourselves regarding compliance with those requirements, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on compliance with those requirements.

The Service Bureau's compliance assertions with respect to its servicing of the Federal Perkins Loan and Nursing Student Loan Programs for **the University** was examined by another accountant, whose report was furnished to us as of our report issuance date. Based on our review of the other accountants' report, we have determined that all of the compliance requirements included in the OMB Circular A-133 Compliance Supplement that are applicable to the programs in which **the University** participates are addressed in either our report or the report of the other accountant. The independent accountant indicated that no findings or questioned costs were noted as a result of the compliance attestation examination on the service bureau.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

**Internal Control Over Compliance**

The management of **the University** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants *applicable to federal programs*. In planning and performing our audit, except for the functions performed at **the University's** Service Bureau in connection with processing transactions for the NDSL/Perkins and Nursing Student Loan Programs, we considered **the University's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

For the internal control over compliance categories at the Service Bureau, another accountant examined management's assertions with respect to establishing internal control systems that assured compliance with reporting, Perkins and Nursing Student Loan collections and due diligence, and servicer eligibility. The other accountants' report has been furnished to us as of our report issuance date.

Our consideration of the *internal control over compliance* would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

Also, we noted that other accountants for the Service Bureau indicated that their were no findings or questioned costs noted during the current year's attestation examination.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

This report is intended solely for the information and use of the President, management, federal awarding agencies and pass-through entities, and the legislative auditors' office and is not intended to be and should not be used by anyone other than these specified parties.

*Bruno & Tervalon LLP*  
BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS

March 17, 2006

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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**SCHEDULE I - Summary of the Independent Auditors' Results**

1. Type of report issued on the Schedule of Expenditures of Federal Awards: **Unqualified**
  
2. Did the audit disclose any reportable conditions in internal control: **No**
  
3. Were any of the reportable conditions material weaknesses: **No**
  
4. Did the audit disclose any noncompliance which is material to the financial statements of the organization: **No**
  
5. Did the audit disclose any reportable conditions in internal control over major programs: **No**
  
6. Were any of the reportable conditions in internal control over major programs material weaknesses: **No**
  
7. Type of report issued on compliance for major programs: **Unqualified**
  
8. Did the audit disclose any audit findings which the independent auditors are required to report under OMB Circular A-133, Section 510(a): **No**

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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**SCHEDULE I - Summary of the Independent Auditors' Results, Continued**

9. The following is an identification of major programs:

<u>CFDA Number</u>	<u>Federal Program</u>
84.007	Federal Supplemental Education Opportunity Grants
84.031	Higher Education - Institution Aid
84.032	Federal Family Education Loans
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.038	Federal Perkins Loan Program
84.048	Carl D. Perkins - Basic Grant
93.558	Temporary Assistance for Needy Families
17.259	Workforce Investment Act Youth Activities
Various	Research and Development Cluster

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in OMB Circular A-133, Section 520(b) is as follows:

<u>Program</u>	<u>Amount</u>
Type A	Major Programs are determined on a State level.

11. Did the auditee qualify as a low-risk auditee under OMB Circular A-133, Section 530:  
No.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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**SCHEDULE II - Financial Statement Findings**

No matters reported.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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**SCHEDULE III - Federal Award Findings and Questioned Costs**

No matters reported.

**GRAMBLING STATE UNIVERSITY**  
**AUDIT INFORMATION SCHEDULE**

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Lead Auditor: BRUNO & TERVALON LLP, Certified Public Accountants  
Michael B. Bruno, CPA, CGFM, Managing Partner  
Sean M. Bruno, CPA, Manager

License Number: L 1218

Telephone Number: (504) 284-8733

The audit field work was performed between August 23, 2005 and February 17, 2006 at the institution's facilities as follows:

<u>LOCATION</u>	<u>DESCRIPTION OF FACILITY (ADMIN. OR SFA OFFICES, MAIN CAMPUSES, ETC)</u>
<b>Grambling State University</b> (main campus)	Office of Student Financial Aid and Federal Grant office (main campus)

Institution's Accrediting Organization: Commission on Colleges of the Southern Association of Colleges and Schools.

The institution utilizes a SFA Servicer.

Campus Partners  
2400 Reynolda Road  
Winston-Salem, North Carolina 27106

The following functions are provided by this SFA Servicer:

1. Billing Students - Perkins Loans and Nursing Student Loans
2. Processing of cancellations and deferments - Perkins Loans and Nursing Student Loans

A review of the Servicer's compliance with Title IV Regulations was performed by the Service Bureau's independent public accountant.

Records for the accounting and administration of the SFA programs are located at:

**Grambling State University**  
Grambling, Louisiana 71245  
Office of Student Financial Aid